Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES DEPARTMENT OF AGRICULTURE

FARMERS HOME ADMINISTRATION

OBJECT CLASSIFICATION MANUAL

LIBRARY
RECEIVED
NOV 8 - 1956
U. S. DEPT. OF AGRICULTURE

September 8, 1955

OBJECT CLASSIFICATION MANUAL

INDEX

			Page
I		GENERAL	1
II		PURPOSE	1
III		RESPONSIBILITIES	1
IV		OBJECT CLASSES	2
	01	Personal Services	2
	02	Travel	3
	03	Transportation of Things	4
	04	Communication Services	4
	05	Rents and Utility Services	4
	06	Printing and Reproduction	5
	07	Other Contractual Services	5
	08	Supplies and Materials	6
	09	Equipment	7
	10	Land and Structures	8
	11	Grants, Subsidies and Contributions	9
	12	Pensions, Annuities and Insurance Claims	9
	13	Refunds, Awards, and Indemnities	10
	14	Interest	10
	15	Taxes and Assessments	10
	16	Investments and Loans	10
V		CODING MISCELLANEOUS PROCUREMENTS	11
VI		DETAILED CLASSES	14
VII		MAINTENANCE OF OBJECT CLASS LEDGERS	14
VIII		REPORTS	14

OBJECT CLASSIFICATION

I GENERAL: This Manual includes object class codes, titles, definitions, and examples as they apply generally to expenditures of funds of this Agency, and as set forth in Budget-Treasury Regulation No. 1 as revised in September 1953. Principles set forth in this Manual will govern coding and entry of expenditures by object classification. As used herein, the term "voucher" shall be construed to include certified invoices.

II PURPOSE: Estimates submitted to the Bureau of the Budget must conform to object classes prescribed by regulation. Agencies may divide prescribed object classes into such detailed classes as it deems necessary, provided that such classes shall be subsidiary to and conform with the prescribed classes. This Manual sets forth the detailed classes which conform to prescribed object classes.

III RESPONSIBILITIES: The responsibilities in connection with coding documents and maintenance of registers are as follows:

A The Business Services Division of the National Office and the Business Services Branch of the Finance Office will code purchase orders (except rents, utilities, and janitorial services) and other documents which are initiated and/or approved in the division or branch and which are chargeable to miscellaneous procurement accounts. The coding thus provided will serve as a guide at the time vouchers (payments) are processed.

B The Voucher and Payroll Accounting Branch of the Finance Office will supply coding at the time vouchers are examined and scheduled for payment. Object classification will be indicated for all voucher transactions except those applicable to loan funds; reimbursable collections, Code 701; and proceeds from sale of replaced equipment, Code 703.

C The Finance Control Branch of the Finance Office will maintain the necessary accounts to accumulate by object class and by appropriation/limitation the payments made and will prepare reports as required.

IV OBJECT CLASSES: The following classes are set forth in Part VII (Section 71, dated September 1953) of Budget-Treasury Regulation No. 1:

01 Personal services
02 Travel
03 Transportation of things
04 Communication services
05 Rents and utility services
06 Printing and reproduction
07 Other contractual services
08 Supplies and materials
09 Equipment
10 Land and structures
11 Grants, subsidies, and contributions
12 Pensions, annuities, and insurance claims
13 Refunds, awards, and indemnities
14 Interest
15 Taxes and assessments
16 Investments and loans

DEFINITIONS OF OBJECT CLASSES

01 PERSONAL SERVICES. Includes compensation for services of individuals including terminal leave payments, cost of living and quarters allowances, and other cash emoluments incident to personal services. This classification covers all salaries and wages for labor or other services of officers or employees, either civil or military, of the Government. Also includes compensation for special services rendered by consultants or others employed on a per diem or fee basis.

Examples

Regular salaries and wages:

Regular salaries and wages of all officers and employees, both civil service and non-civil service, including that portion which represents employees' retirement contributions, and other deductions creditable to other appropriations and funds. Includes payments to military and quasi-military personnel.

Other compensation:

Cash allowances for quarters or subsistence; salary differentials for service abroad, hardship posts, hazardous duty pay, etc.; and additional pay for overtime, holiday, and night work.

Special and miscellaneous payments for personal services:

Commissions, fees, etc., for special and miscellaneous services rendered by consultants and others, including patient and inmate help, casual labor, and compensation in the nature of allowances to trainees. Also includes employment under contracts with individuals for their own personal services.

Employees on reimbursable detail:

Payments to other agencies for employees on reimbursable detail.

02 TRAVEL. Includes transporation of persons (Government employees or others), their per diem allowances while in an authorized travel status, and other expenses incident to travel which are to be paid by the Government either directly or by reimbursing the traveler.

Examples

Transportation of persons:

Contractual services in connection with carrying persons from place to place, whether by land, air, or water, and the furnishing of accommodations incident to actual travel. This includes commerical transportation charges, charter of passenger cars, trains, vessels, or airplanes, and expenses incident to the operation of the chartered conveyances. It includes mileage allowances for use of privately owned vehicles, ferry fares, and tolls. It also includes streetcar and taxi fares whether used for local transportation or for travel away from a designated post of duty.

Per diem allowance:

Payments to travelers at a flat rate in lieu of their actual expenses for subsistence and fees or tips to porters and stewards.

Incidental travel expenses:

Other expenses necessitated by travel, such as baggage transfer, steamer chairs, and telephone and telegraph expenses, as authorized by travel regulations. This does not cover miscellaneous expenses incurred while in travel status which are not directly related to travel.

Expenses such as fees for meeting rooms, typewriter repairs, storage of Government cars, toll calls, and telegrams when directly connected with travel status will be classed as 02.

* Supplied by FHA

03 TRANSPORTATION OF THINGS. Includes those charges for the transportation of things (including animals) which are paid or to be paid directly by the Government, or by reimbursing an employee for the authorized movement of his household effects, whether such transportation be by land, air, or water. It includes contractual charges for the care of such things while in process of being transported. It also includes postage used in parcel post. It excludes transportation paid by the vendor, regardless of whether or not the cost thereof is itemized on the bill for the commodities sold.

Examples

Freight and express: Charges by common carrier, including freight and express, demurrage, switching, recrating, refrigerating, and other incidental expenses.

Drayage and other local transportation: Cartage, handling, and other charges incident to local transportation, including contractual transfers of supplies, equipment, etc.

Mail transportation: Contractual transportation of mail by water, rail, air, motor vehicles, etc.

Household goods and personal effects: Transportation of household goods and effects of employees transferred from one official station to another. *Includes warehousing, storage, packing, and crating in connection with transfers.*

04 COMMUNICATION SERVICES. Includes the transmission of messages from place to place, such as contractual charges for land telegraph service, marine cable service, radio and wireless telegraph service, telephone and teletype service; letter postage; rental of post office boxes, postage meter machines, mailing machines, and teletype equipment; and contractual messenger service. It also includes switchboard and service charges and telephone installation costs.

05 RENTS AND UTILITY SERVICES. Includes charges for rents and utility services exclusive of transportation and communication services.

Examples

Rents: Charges for possession and use of land, structures, or equipment owned by another, the possession of which is to be relinquished at a future time. This also includes charges under purchase rental agreements. Under such agreements, until the title to the equipment is acquired, payments should be classified as rentals. Payments subsequent to the acquisition of title should be classified as equipment.

Utility services: Charges for heat, light, power, water, gas, electricity and other utility services exclusive of transportation and communication services.

* Supplied by FHA

06 PRINTING AND REPRODUCTION. Includes contractual printing and reproduction and the related composition and binding operations performed by the Government Printing Office, other agencies or other units of the same agency (on a reimbursable basis), and commercial printers. Includes all common processes of duplicating obtained on a contractual or reimbursable basis. Standard forms (except when specially printed or assembled to order) and penalty and plain envelopes shall be classified as supplies and materials. (Note: This object class consists of two types of items, which agencies may designate as subclasses for internal use: (a) Printing and Binding as defined in the Government Printing and Binding regulations issued by the Joint Committee on Printing, when procured on a contractual or reimbursable basis; (b) Reproduction of the type which does not come within the Joint Committee's definition of printing, when procured on a contractual or reimbursable basis, such as photostating, blueprinting, and photography.

Examples

Printing and duplicating:

Job work done on printing presses which utilize printers' type, plates, or engravings; lithographing; multigraphing; reporduction with machines employing photographically made plates, related photo-reproduction work, the use of varityping or other substitutes for type-setting for reproduction by photo mechanical means; reproductions by the spirit process; mimeographing; and the use of stencils or direct image plates prepared by ordinary typewriters.

Photostating, blueprinting and photography:

Binding operations connected with the foregoing.

07 OTHER CONTRACTUAL SERVICES. Includes all contractual services not otherwise classified. Where contractual services and acquisition of property are a part of the same obligation or payment, an item shall be classified as "Other contractual services" if the services are the major part of the item, and as "Equipment" or "Lands and structures," as defined below, if the acquisition of property is the major part of the item.

Examples

Repairs and alterations:

Repairs and alterations to buildings, bridges, viaducts, vessels, equipment, and like items, when done by contract.

Storage and maintenance of vehicles:

Contractual services for storage and care of vehicles.

Subsistence and support of persons:

Contractual services for board, lodging, and care of persons, including hospital care; except travel items, which are included under "02 Travel."

Stenographic services.

Contractual stenographic reporting and typewriting.

Publication of notices, advertising, and radio broadcast time.

Fees and other charges:

Fees and expenses of witnesses and jurors, fees for abstracting land titles, premiums on insurance and surety bonds.

* Packing and crating when not included in purchase or not in connection with household move. *

08 SUPPLIES AND MATERIALS. Includes all commodities (a) which are ordinarily consumed or expended within one year after they are put into use, or (b) which are converted in the process of construction or manufacture, or (c) which are used to form a minor part of equipment or fixed property. (For purposes of this instruction, other property of little monetary value which does not meet any of these three criteria may also be classified as "Supplies and materials" at the option of the agency.)

Examples

Office supplies (other than nonstandard forms and letterheads):

Pencils, paper, calendar pads, stenographic note books, blank books and pads, standard forms, envelopes (penalty and plain), and other office supplies.

Subscriptions to newspapers and periodicals.

Pamphlets when purchased rather than printed by or at the request of the agency:

Chemicals, surgical and medical supplies.

Fuels:

Fuels used in cooking, heating, generating power, making artificial gas, and operating motor vehicles, aircraft, and vessels.

* Supplies by FHA

Clothing and clothing supplies:

Articles of clothing, together with materials and sewing supplies used in the manufacture of wearing apparel.

Provisions:

Food and beverages for human consumption.

Forage and stable supplies:

Food used for livestock and other animals, and stable supplies.

Cleaning and toilet supplies.

Ammunition and explosives:

Bombs, shells, propellent powders, mines, torpedoes, chemicals and chemical gases used for combat, fuses, detonators, primers, pyrotechnic supplies and components thereof.

Materials and parts:

Commodities, including building materials, entering into the construction, repair, or production of supplies, equipment, machinery, buildings, and other structures.

Property of little monetary value:

Desk trays, pen sets, ash trays, calendar stands, telephone list finders, and other items of property of little monetary value.

09 EQUIPMENT. Includes personal property of a more or less durable nature that is, which may be expected to have a period of service of a year or more after put into use without material impairment of its physical condition. It excludes commodities which are converted in the process of construction or manufacture, or which are used to form a minor part of equipment or fixed property.

NOTE: The distinction made in this Instruction between "Equipment" and "Supplies and materials" depends primarily upon the durability of the item for which the obligation is made, and is not necessarily the same as the treatment to be accorded in the property accounts. This Instruction does not require an agency to include in its property (plant) accounts as permanent assets an item of equipment merely because that item represents an obligation recorded under object class 09. In order to facilitate reconciliation of property accounting with the use of the object classification, object class 09 may be subdivided into two parts by the agencies for internal use:

(a) Equipment which is not capitalized (items which the agency does not set up in property accounts)

(b) Equipment which is capitalized (items which the agency sets up in property accounts).

Examples

Transportation equipment:

Vehicles, including passenger-carrying automobiles, motor trucks, motorcycles, tractors, aircraft, wagons, carts, vessels, steamships, barges, lighters, and power launches.

Furniture, furnishings, and fixtures:

Movable furniture, fittings, fixtures, and household equipment, including desks, tables, chairs, typewriters, adding and bookkeeping machines.

Books.

Livestock (other than that purchased for slaughter).

Implements and tools.

Machinery and apparatus:

Engines, generators, manufacturing machinery, transformers, ship equipment, pumps, and other production and construction machinery. Instruments and apparatus, such as surgical instruments, X-ray apparatus, signaling and telephone and telegraph equipment, electronic equipment, scientific instruments and appliances, measuring and weighing instruments and accessories, photographic equipment, picture projection equipment and accessories, and mechanical drafting devices.

Armaments:

Tanks, armored cars, tractors, machine guns, rifles, bayonets, antiaircraft guns, cannons, searchlights, detectors, fixed and mobile mounts or carriages for cannon, including limbers, caissons, battery and store wagons, reels and carts, fire-control apparatus, submarine mine equipment, ammunition hoists, torpedo tubes, and other special and miscellaneous military equipment.

10 LANDS AND STRUCTURES. Includes land and interest in land, buildings and other structures, additions to buildings, nonstructural improvements, and fixed equipment (whether an addition or a replacement), when acquired under contract.

Examples

Lands and interest in lands.

Buildings and other structures:

The acquisition or construction of buildings and structures, and additions thereto, when acquired under contract.

Nonstructural improvements:

Improvements of land, such as landscaping, fences, sewers, wells, reservoirs, when acquired under contract.

Fixed equipment:

Fixtures and equipment which become permanently attached to or form a part of buildings or structures, such as elevators, plumbing, power-plant boilers, fire-alarm systems, lighting or heating systems, and air-conditioning or refrigerating systems (whether an addition or a replacement), when acquired under contract.

11 GRANTS, SUBSIDIES, AND CONTRIBUTIONS. Includes grants, subsidies, gratuities and other aid for which cash payments are made to States, Territories, political subdivisions, corporations, associations, and individuals; contributions to the retirement and disability funds, and to international societies, commissions, proceedings, or projects, whether in lump sum or as quotas of expenses, contributions fixed by treaty; grants to foreign countries; and payments in lieu of taxes. (Note that obligations under grant programs which involve the furnishing of services, supplies, materials, etc., rather than cash, are not charged to this object class but to the object class representing the nature of the services, articles, or other items which are purchased.)

12 PENSIONS, ANNUITIES, AND INSURANCE CLAIMS. Includes retirement pay on the basis of civil or military service to the Government, pensions on account of service, annuities paid from trust funds to civil-service employees and others, payments on life and marine insurance policies, and payments made on account of accident to civilian employees of the Government while in the discharge of their official duties.

Examples

Pensions:

Military and civil pensions on account of disability or death due to service.

Retirement benefits:

Compensation in the form of annuities or other benefits paid to former Government employees (civil or military) or survivors. Includes benefits paid from the Federal old-age and survivors insurance trust fund and railroad retirement account.

Allowance and related benefits: Allowances to families of deceased soldiers and sailors, rehabilitation allowances, medical attendance and hospital allowances, other allowances, and payments from the United States employees' compensation fund.

Insurance Claims: Guaranty and insurance loss claims.

13 REFUNDS, AWARDS, AND INDEMNITIES. Includes refunds of the whole or part of amounts previously received by the United States; items for or included in awards by court of law, boards, or commissions; indemnities for destruction or injury of persons or property; rewards; bounties; and cash awards for employee suggestions and efficiency.

Examples

Refunds:

Refunds of fines, penalties, forfeitures, taxes, duties, and premiums; returns of deposits in retirement and disability funds; and other refunds on account of adjustments, errors in computation, etc.

Awards:

Awards arising from abrogation of contracts; awards for the destruction of livestock, crops, etc.; awards to persons for losses incurred in the course of duty; cash awards for employee suggestions and efficiency; and other awards, such as amounts paid to informers and awards paid to foreign nations not covered by treaty.

14 INTEREST. Includes compensation to creditors of the United States for the use of moneys loaned, deposited, overpaid, or otherwise made available to the United States.

15 TAXES AND ASSESSMENTS. Includes the amounts of taxes and special assessments imposed by taxing authorities where the Federal Government has consented to taxation.

16 INVESTMENTS AND LOANS. Includes the purchase of stocks, bonds, notes, and other choses in action (except United States Government securities); capital contributions to revolving funds; loans to foreign governments, States, Territories, and other political subdivisions; and loans to corporations, associations, and individuals.

Examples

Investments in securities:

The purchase of stocks, bonds, debentures, and other securities (except the par-value of U. S. Government securities) in which money is invested either temporarily or permanently. This should include the amounts paid for interest accrued at the time of purchase and premiums paid on all investments, including payments over par-value of United States Government securities and discounts under par-value on sales of United States Government securities.

Advances to revolving funds:

Capital contributions to revolving funds, which are expected to be returned when the enterprise is liquidated, transferred, or sold.

Loans:

Advances to foreign governments, States, Territories, and other political subdivisions; and loans to corporations, associations, and individuals.

V CODING MISCELLANEOUS PROCUREMENTS: Miscellaneous services, communications, and procurements will be coded as follows:

Code 911 - Office Rents. All charges to this account will be coded 05.

Code 912 - Office Utility Services. All charges to this account will be coded 05, except direct purchases of fuel (coal, fuel oil, wood, kerosine, gas, etc.) for heating which will be coded 08.

Code 913 - Office maintenance. Char service, janitor service, washing floors, walls, ceilings, windows, waxing floors, trash removal, and similar services will be coded 07. (Purchases by the Government of mops, brooms, brushes, dust cloths, wax, sweeping compound, and similar cleaning materials are paid from code 921 and will be coded 08.

Code 914 - Office Improvements and Repairs.

A The following and similar items will be coded 07:

1. Repair of and cost of installation of wiring, electrical outlets, plumbing, stoves, heaters, water coolers, blinds (venetian or cloth), light fixtures, exhaust fans, floor coverings, ventilators, screens, plastering, painting, finishing or refinishing floors, walls, or woodwork, and restoration costs incident to vacating space. When improvement and repair services include furnishing of parts, materials, or supplies for a particular job, the entire cost (both service and parts, materials, or supplies) will be coded 07 even though itemized separately on the vendor's invoice.

B The following and similar items will be coded 08:

1 Linoleum floor covering, screens, cloth blinds.

2 When purchased by the Government, paint, shellac, varnish, and any other such expendable supply type item.

3 When purchased by the Government, apart from the repair or installment service, parts, materials, and supplies for the repair of stoves, water coolers, venetian blinds, lighting fixtures, exhaust fans, and ventilators.

C The following and similar items will be coded 09:

1 Stoves, heaters, exhaust fans, lighting fixtures, venetian blinds, water coolers.

D General Rules: Where contractual services and acquisition of property are a part of the same obligation or payment, and are not otherwise classified, the item shall be classified as "Other Contractual Services " Code 07 if the services are the major part of the item, or classified as "Equipment" Code 09 if the acquisition of property is the major part of the item.

Code 921 - Supplies and Services.

A Ozalid prints, photostats, blueprinting, and similar reproduction services will be coded 06.

B The following and similar items will be coded 07:

1 Costs of recording quitclaim deeds in connection with transfers of real estate between Rural Rehabilitation corporations and FHA under 2(f) agreements.

2 Costs of recording releases of insured mortgages.

3 Costs of assigning insured mortgages to the Government for sale of insured loans between lenders.

4 Costs of interest paid to lenders for delayed payments on insured accounts caused by Treasury checks being lost in the mails, etc.

5 Costs of crating and packing of equipment when separate from transportation costs.

6 Mail service obtained under memorandum of agreement from another agency.

7 Street car and bus passes and tokens.

C The following and similar items will be coded 08: Items defined in FHA Instruction 121.1 as office and maintenance supplies, including standard forms, photographic supplies, drafting supplies, maps, rubber stamps, warehouse shipping supplies, such as shooks, cartons, wrapping paper, direct purchases of fuel, etc.

D Accountable non-expendable items as defined in FHA Instruction 122.1 will be coded 09.

Code 923 - Furniture and Equipment Repairs. Charges for parts, chair casters, extension cords and similar items when purchased separately and apart from a repair service will be coded 08. Costs for the repair of office furniture, machines, and other non-expendable items (except as specified under Code 914) regardless of whether such repairs are made under service contracts or on an individual job basis will be coded 07.

Code 924 - Transportation of Things. All charges to this account will be coded 03.

Code 925 - Automobile Operation and Maintenance. Charges incident to the operation and maintenance of Government-owned vehicles such as gasoline, lubricants, tires, etc., will be coded 08. Repairs and contractual services for storage and care of vehicles will be coded 07.

Code 930 - Controlled Purchases. All charges to this account for items in Exhibit A of FHA Instruction 122.1 will be coded 09. When equipment is purchased FOB point of origin, the transportation charges will be coded 03 and the packing and crating charges, if obtained separately from the transportation, will be coded 07. If shipment is prepaid by vendor, the entire cost will be coded 09.

Code 941 - Contractual Communications. All charges to this account will be coded 04.

Code 942 - Postage. All charges to this account will be coded 04. (Postage for transportation of forms, supplies, and other warehouse shipments is paid from Code 924 and will be charged to Code 03)

Code 943 - Post Office Box Rental. All charges to this account will be coded 04.

Code 981 - Money Order Fees. All charges to this account will be coded 07.

Code 982 - Bank Service Costs. All charges to this account will be coded 07.

Code 983 - Transportation of Employee's Family and Household Goods. Travel expense of the family will be coded 02. Expenses of transporting household goods will be coded 03.

Code 984 - Awards, Refunds, and Indemnities. All charges to this account will be coded 13.

Code 985 - Liquidation and Negotation Costs. All charges to this account will be coded 07.

Code 987 - Contributions to Social Security. All charges to this account will be coded 15.

Code 988 - Employee's Awards. All charges to this account will be coded 13.

Code 992 - Appraisal Mineral Rights. All charges to this account will be coded 07.

Code 993 - Corporate Expense of State Rural Rehabilitation Corporations. All charges to this account will be coded 07.

Code 994 - Group Life Insurance Contributions. All charges to this account will be coded 07.

VI DETAILED CLASSES: Prescribed object classification codes are called "Major Codes" by this Agency; whereas, detailed codes are called "Minor Codes." Minor codes will be utilized in order to accumulate budgetary information related to Major Codes 02, Travel; and 07, Other Contractual Services.

A Minor codes under 02 are as follows:

1	0210	Common carrier
2	0212	Mileage allowance (by rate) Example: 6¢ per mile - 0212-6
3	0214	Per diem allowance (by rate) Example: $8.00 per day - 0214-8
4	0215	Other
5	0220	Foreign travel (includes common carrier, mileage, per diem, etc. for all travel pursuant to activities conducted outside continental United States, including incidental travel within the United States en route to or from the territorial or foreign area.)

B Minor codes under 07 are as follows:

1	0710	General (for expenditures to other than U. S. Government agencies).
2	0720	Government (for expenditures to Government agencies).

VII MAINTENANCE OF OBJECT CLASS LEDGERS: Ledgers will be maintained for current fiscal year or budget period funds, except for loan funds which will be reported in its entirety under Code 16, Investments and Loans. The ledgers will be maintained and balanced as prescribed in Finance Instruction 361.4, Parts A and B.

VIII REPORTS: Detail instructions for the preparation and submission of object classification reports is covered by Finance Instruction 369.14, Parts A and B.

oOo